

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (I-BANK)

BOND AMENDMENT STAFF REPORT

ISSUE: The Vine Street Archive Foundation (Vine Street) requests an amendment to certain provisions relating to the addition of additional credit support and financial covenants contained in the I-Bank Original Master Loan Agreement.

BACKGROUND INFORMATION:

On October 28, 2008, the I-Bank approved Resolution 08-29 authorizing the issuance of a tax-exempt bonds in an amount not to exceed \$35,000,000 on behalf of Vine Street Archive Foundation (Vine Street) Vine Street is a not-for-profit corporation, affiliated with the Academy of Motion Picture Arts and Sciences (AMPAS), formed for the purpose of owning and operating the Mary Pickford Center for Motion Picture Study (Pickford Center) which currently houses the Academy Film Archive (Archive). The proceeds of the I-Bank's 2008 bonds (2008 Bonds) were used to (i) refund bonds previously issued by the I-Bank in 2002 (2002 Bonds), (ii) finance a portion of the costs of additional rehabilitation, renovation, construction, replacement, equipment and/or improvements to the Pickford Center, and (iii) pay 2008 Bond issuance costs. The 2008 Bonds were secured by an obligation issued by the Obligated Group (the Obligated Group includes Vine Street, the Academy of Motion Picture Arts and Sciences, the Academy Foundation, Archival Foundation and Homewood Foundation) and a direct-pay letter of credit (LOC) from City National Bank. The Staff Report dated October 28, 2008, and a copy of Resolution 08-29 are attached for a more complete description of the project and financing structure (see Exhibit A).

NEED FOR AMENDMENT: As a result of the recent credit rating downgrade of City National Bank's credit rating, Vine Street has proposed to convert the 2008 Bonds interest rate reset period and to substitute security for the 2008 Bonds by reconfirming an existing LOC and adding a confirming letter of credit to further secure the 2008 Bonds. An amendment to the Indenture, Loan Agreement, Remarketing Agreement, and related tax certifications is necessary to convert the interest rate period to a monthly mode from the current weekly mode, and to add a confirming LOC from the Federal Home Loan Bank of San Francisco to the existing City National Bank direct-pay LOC. This action will require a mandatory tender and remarketing of the 2008 Bonds, the issuance of a Remarketing Memorandum (in place of an Official Statement), and a reissuance of the 2008 Bonds for tax purposes. Moody's Investor Service has assigned the bonds a credit rating of "Aaa/VMIG-1" based on the re-execution of the City National Bank LOC and the confirming LOC from the Federal Home Loan Bank of San Francisco.

RECOMMENDATION: Staff recommends approval of Resolution 09-27 authorizing the substitution of security for and remarketing and tax-reissuance of the California Infrastructure and Economic Development Bank Variable Rate Demand Refunding Revenue Bonds (Academy of Motion Picture Arts and Sciences Obligated Group), Series 2008.

Exhibit A – October 8, 2008 Staff Report and Resolution 08-29

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (I-Bank) 501(c)(3) REVENUE BOND FINANCING PROGRAM

STAFF REPORT

EXECUTIVE SUMMARY

Applicant:	The Vine Street Archive Foundation (Vine Street). (The Obligated Group includes Vine Street, the Academy of Motion Picture Arts and Sciences, the Academy Foundation, Archival Foundation and Homewood Foundation.)	Amount Requested:	Not to exceed \$35,000,000
Applicant Description:	Vine Street is a not-for-profit corporation, affiliated with the Academy of Motion Picture Arts and Sciences (AMPAS), formed for the purpose of owning and operating the Mary Pickford Center for Motion Picture Study (Pickford Center) which currently houses the Academy Film Archive (Archive).	Date of Board Meeting:	October 28, 2008
		Type of Issue:	Refunding
		Resolution Number:	08-29
Project Site:	1313 Vine Street 6338, 6344 and 6350 Homewood Ave Hollywood, CA 90028	Prepared by: Tara Dunn	
Project Description:	The project (Project) involves (i) refunding bonds previously issued by the I-Bank in 2002 (2002 Bonds) that were used to finance the cost of the acquisition, construction, financing and general development and equipping of a film archive facility, and (ii) financing a portion of the costs of construction, improvement and general development of the Facility, including costs of equipment. The portion of the Project funded by the 2002 Bonds was completed in 2004.		
Uses of Bond Proceeds:	Bond proceeds (2008 Bonds) will be used to (i) refund the 2002 Bonds, (ii) finance a portion of the costs of additional rehabilitation, renovation, construction, replacement, equipment and/or improvements to the Pickford Center, and (iii) pay 2008 Bond issuance and other related costs.		
Public Benefits:	The Archive rescues, stores, preserves, restores, and makes available for viewing and study, the motion picture films in its collection, and is dedicated to the appreciation, study and preservation of motion picture heritage. The collection provides a valuable contribution to world culture at large, while providing many direct benefits to Hollywood and Los Angeles as well as the State.		

Financing Structure:

Type of Issue:	Publicly-offered variable-rate demand bonds issued in minimum denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof.
Tax Status:	Tax-exempt 501(c)(3) bonds.
Term:	24 years.
Credit Enhancement:	The pledge of funding by the Obligated Group. Direct-pay letter of credit from City National Bank.
Credit Rating:	The 2008 Bonds are expected to be rated Aa3 and A by Moody's and S&P, respectively, based upon the credit rating of City National Bank.

Total Est. Sources of Funds:		Total Est. Uses of Funds:	
	\$35,000,000	Refund 2002 Bonds	\$35,000,000
2008 Bond Proceeds	3,454,040	Project Fund (for the 2008 Project)	2,927,546
		Costs of Issuance and LC Fees	526,494
Release of 2002 Debt Service Reserve Fund	\$38,454,040	TOTAL USES	\$38,454,040

TOTAL SOURCES

Financing Team:

Bond Counsel:	Hawkins, Delafield & Wood LLP
Underwriter's Counsel:	Arent Fox LLP
Underwriter:	Shattuck Hammond Partners
Trustee:	Wells Fargo Bank, National Association

Staff Recommendation:

Staff recommends approval of Resolution 08-29 for an amount not to exceed \$35,000,000 for The Vine Street Archive Foundation.

BACKGROUND AND HISTORY

The Vine Street Archive Foundation (Vine Street) was established in 2001 for the purpose of owning and operating the Mary Pickford Center for Motion Picture Study (Pickford Center or Facility). Vine Street was organized to operate exclusively for the benefit of, to perform part of the function of, and to carry out the purposes of the Academy Foundation (Foundation) and is operated, controlled and supervised by the Foundation exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code .

The Pickford Center, a renovated former ABC television studio, a four-story, 118,000 square foot building located at 1313 Vine Street, Hollywood, California, currently houses the Academy Film Archive, the Science and Technology Council, the Nicholl Fellowships in Screenwriting program and storage for the Margaret Herrick Film Library as described below:

- Academy Film Archive (Archive) is dedicated to the appreciation, study and preservation of our motion picture heritage; its activities include collection, preservation, documentation, exhibition and research access to films. The Archive's collection now includes over 100,000 items, covering some 60,000 individual titles, early films (Lumiere, Melies and Blackhawk Collections), personal collections of film directors, films on film-making, film and video documenting the history of the Academy of Motion Picture Arts and Sciences, Academy Award-nominated features, documentaries and shorts and documentaries and propaganda films distributed by the Academy of Motion Picture Arts and Sciences during World War II.
- Science and Technology Council was created by the Academy's Board of Governors in 2003 in response to the major technological developments taking place in the motion picture industry. Continuing a longstanding precedent of providing an industry-wide center for motion picture technology history, education, and advancement, the Science and Technology Council reestablished the Academy's role as advocate for technology in support of the art.
- Nicholl Fellowships in Screenwriting program, which is an international competition that provides financial aid to screenwriters who have not earned more than \$5,000 writing for film or television. Entry scripts must be the original work of a sole author or of exactly two collaborative authors. Entries must have been written originally in English. Up to five \$30,000 fellowships are awarded each year.
- Margaret Herrick Film Library, which maintains a world-renowned, non-circulating reference and research collection devoted to the history and development of the motion picture as an art form and as an industry. The collection includes books, scripts, personal and business correspondence, production memoranda, sketches, music scores and scrapbooks, and is regarded as one of the most complete collections of film-related materials ever assembled.

Vine Street is affiliated with several nonprofit entities obligated to make payments in an amount sufficient to pay in full the principal, premium, if any, and interest on the proposed I-Bank bonds when due (Obligated Group). The Obligated Group, formed under a Master Indenture of Trust, also includes: the Academy of Motion Picture Arts and Sciences (AMPAS), Academy Foundation, Archival Foundation and Homewood Foundation. The four foundations are related to AMPAS in that the officers and trustees of the foundations are also members of AMPAS' Board of Governors (See Appendix A-- Officers and Trustees of The Vine Street Archive Foundation and Appendix B--Officers and Board of Governors of the Academy of Motion Picture Arts and Sciences).

Academy of Motion Picture Arts and Sciences

AMPAS was organized in 1927 as a 501(c)(6) not-for-profit corporation and is a professional honorary organization composed of over 6,000 motion picture craftsmen and women. AMPAS' purposes are to advance the arts and sciences of motion pictures; foster cooperation among creative leaders for cultural, educational and technological progress; recognize outstanding achievements; cooperate on technical research and improvement of methods and equipment; provide a common forum and meeting ground for various branches and crafts; represent the viewpoint of actual creators of the motion picture; and foster educational activities between the professional community and the public-at-large.

The Academy Awards Presentation, the annual presentation of the Oscars® that recognizes excellence in filmmaking achievement, is AMPAS' most famous activity and has been held since 1929. The Academy Awards Presentation is also the activity that has enabled the Pickford Center to maintain a varied year-around calendar of programs and events and a wide-ranging educational and cultural agenda at low or no cost to the general public and Academy members.

Academy Foundation

The Academy Foundation was formed in 1944 for the purpose of promoting and supporting educational and cultural activities related to the motion picture industry, including the preservation of its history and the promotion of its future. The Foundation organizes and oversees film-related educational and cultural activities including:

- Exhibitions and Screenings
- Lectures and Seminars
- Retrospectives, Tributes and Salutes
- Financial Grants and Fellowships
- Media Literacy Program
- Visiting Artists

Archival Foundation

The Archival Foundation, formed in 2006, operates and manages the Douglas Fairbanks Center for Motion Picture Study, the Margaret Herrick Film Library and the Academy Film Archive which is housed in the Pickford Center.

Homewood Foundation

The Homewood Foundation was formed in 2005 to develop, own and operate a museum dedicated to the art and science of motion pictures. When developed, the museum will present exhibits devoted to the history of the motion picture industry, educational exhibits and activities, displays of memorabilia, and other functions that will permit visitors to experience the art and science of motion picture.

Current AMPAS Administration consists of:

Executive Director	Bruce Davis
Administrators, Office of the Executive Director	Cheryl Behnke Steve Miessner
Executive Administrator	Ric Robertson
Associate Executive Administrator	Mikel Gordon
Controller	Andrew Horn

PROJECT DESCRIPTION / FINANCING STRUCTURE

On July 25, 2002, the I-Bank issued \$35 million in bonds (2002 Bonds) to finance the cost of the acquisition, construction, furnishing and equipping of the Pickford Center, an approximately 118,000 square foot facility built to serve primarily as a film archive facility (2002 Project). The 2002 Bonds were issued as variable rate demand bonds and insured by Ambac Assurance Corporation (Ambac). Construction on the Project was completed in June 2004 (See Appendix C - Project Pictures).

Subsequent to the issuance of the 2002 Bonds, Ambac's credit rating was downgraded from AAA to Aa3 and AA by Moody's Investors Service (Moody's) and Standard & Poor's (S&P), respectively, in June 2008 due to Ambac's reported financial losses related to the continued sub-prime mortgage crisis.

Vine Street now requests to refund the 2002 Bonds and issue new variable rate demand bonds (2008 Bonds) in an amount not to exceed \$35 million. The 2008 Bonds would not be insured by Ambac, but would be secured by an obligation issued by the Obligated Group in the amount sufficient to pay Vine Street's loan obligation, and, in addition, by a direct-pay letter of credit (LOC) from City National Bank. The

2008 Bonds are expected to carry a ratings of Aa3 and A from Moody's and S&P, respectively, based upon the credit rating of City National Bank.

The 2008 Bonds do not require a debt service reserve, and the refunding of the 2002 Bonds will result in the availability of the 2002 Bonds debt service reserve funds of approximately \$3 million for payment of costs of a project. Vine Street intends to utilize these funds to finance additional renovations to the Pickford Center (2008 Project). Specifically, additional renovations to vault 4 are to include build out of walls, additional shelving, the installation of an air-conditioning and dehumidification system, and upgrades to the fire suppression system. Renovations will also include the build out of vault 8 as a three-tiered film, tape and paper storage space, including the installation of shelving, climate-control and fire-suppression systems.

In no event shall the 2008 Bonds constitute a pledge of the faith and credit of the State or any political corporation, subdivision or agency of the State, and neither the State nor any political corporation, subdivision or agency of the State shall be liable to make any appropriation for the repayment of the 2008 Bonds. The 2008 Bonds shall constitute a special obligation of the I-Bank, payable solely from revenues or other sources made available therefore, including repayments of a loan provided for in a loan agreement between the I-Bank and Vine Street.

PUBLIC BENEFITS

The purpose of the refunding is to lower the costs of financing for Vine Street and the Obligated Group, by removing the Ambac insurance, and disencumbering funds previously used as a debt service reserve fund for the 2002 Bonds. The educational and cultural activities of and facilities operated by the Obligated Group that will benefit from the refunding of the 2002 Bonds and the financing of the 2008 Project are described above.

The Academy Film Archive, housed in the Pickford Center, rescues, stores, preserves, restores, and makes available for viewing and study, motion pictures in its collection and is dedicated to the appreciation, study and preservation of motion picture heritage. The collection provides a valuable contribution to world culture, while providing many direct benefits to the cities of Hollywood and Los Angeles as well as to the State as a result of the close association of the cities and the State with the film industry

AMPAS and the Obligated Group foundations provide a year-around calendar of programs and events and a wide-ranging educational and cultural agenda at low or no cost to the general public and AMPAS members.

OTHER PROJECT DATA

PERMITS AND APPROVAL	
Required?	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES, Describe:
TEFRA	
Date of TEFRA	August 20, 2008
Publications	<i>The Sacramento Bee</i> <i>Los Angeles Times</i>
Oral/Written Comments	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES, Explain:
LEGAL QUESTIONNAIRE	
Completed?	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES
Issues?	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES, Explain:
ELIGIBILITY REVIEW	
Applicant and Project meet all of the eligibility criteria established by the I-Bank Statutes? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	<ol style="list-style-type: none"> 1. The Project is in the State of California. 2. Vine Street, is capable of meeting the obligations incurred under the proposed loan agreement, and, in particular as to its loan repayment obligations which secure the bonds, as a result of both the security provided by the Obligated Group and the provision of a direct-pay letter of credit from City National Bank, which is the basis for the anticipated rating on the bonds. 3. Payments to be made by Vine Street, and/or a related party, to the I-Bank under the proposed loan agreement are adequate to pay the current expenses of the I-Bank in connection with the financing and to make all the scheduled payments on the bonds. 4. The proposed financing is appropriate for the Project. 5. The Project is consistent with any existing local or regional comprehensive plans.
The Project meets the Policies and Procedures for Conduit Revenue Bond Financing for Economic Development Facilities established as guidelines for I-Bank Staff by the Board: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	
INDUCEMENT CERTIFICATE	
Completed?	<input type="checkbox"/> NO <input type="checkbox"/> YES Certificate No.: <input checked="" type="checkbox"/> N/A Date:

RECOMMENDATION

Staff recommends approval of Resolution 08-29, for an amount not to exceed \$35,000,000 for The Vine Street Archive Foundation.

APPENDIX A— Officers and Trustees of The Vine Street Archive Foundation

OFFICERS

Cheryl Boone Isaacs, President
Robert Rehme, Vice President
Donn Cambern, Vice President
Sid Ganis, Treasurer
Tom Sherak, Secretary
Bruce Davis, Executive Secretary

TRUSTEES

Annette Bening
Jon Bloom
James L. Brooks
Caleb Deschanel
Jim Gianopulos
Mark Goldblatt
Arthur Hamilton
Kevin O'Connell
Frank Pierson
Bill Taylor
Henry Winkler

APPENDIX B— Officers and Board of Governors of the Academy of Motion Picture Arts and Sciences

OFFICERS

Sid Ganis, President
Robert Rehme, First Vice President
Kathleen Kennedy, Vice President
Hawk Koch, Vice President
Tom Sherak, Treasurer
Cheryl Boone Isaacs, Secretary
Bruce Davis, Executive Director

BOARD OF GOVERNORS

Dede Allen
Michael Apted
Craig Barron
Ed Begley, Jr.
Curt Behlmer
Carl Bell
Annette Bening
Jon Bloom
Rosemary Brandenburg
James L. Brooks
Bruce Broughton
Donn Cambern
Martha Coolidge
Caleb Deschanel
Richard Edlund
Leonard Engelman
Rob Epstein
Charles Fox
Sid Ganis
Jim Gianopulos
Mark Goldblatt
Arthur Hamilton
Don Hall
Curtis Hanson
Cheryl Boone Isaacs
Mark Johnson
Kathleen Kennedy
Hawk Koch
Jeffrey Kurland
John Lasseter
Marvin Levy
Paul Mazursky
Kevin O'Connell
Jeannine Oppewall
Richard Pearce
Frank Pierson
Phil Robinson
Owen Roizman
Robert Rehme
Tom Sherak
Bill Taylor
Henry Winkler
Vilmos Zsigmond

APPENDIX C – PROJECT PICTURES



Mary Pickford Center for Motion Picture Study





One of the vaults for storing films.



RESOLUTION 08-29 ADOPTED October 28,2008

RESOLUTION NO. 08-29

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE ISSUANCE OF ITS VARIABLE RATE DEMAND REVENUE BONDS (ACADEMY OF MOTION PICTURE ARTS AND SCIENCES) SERIES 2008, TO REFINANCE ITS VARIABLE RATE DEMAND REVENUE BONDS (ACADEMY OF MOTION PICTURE ARTS AND SCIENCES) SERIES 2002 THE PROCEEDS OF WHICH WERE AND WILL BE USED FOR THE COSTS OF THE ACQUISITION, CONSTRUCTION, EQUIPPING AND FURNISHING OF CERTAIN ECONOMIC DEVELOPMENT FACILITIES, PROVIDING THE TERMS AND CONDITIONS FOR THE ISSUANCE OF THE BONDS AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS

WHEREAS, the California Infrastructure and Economic Development Bank (the "Issuer") was established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 and following) (the "Act"), for the purpose of promoting economic development;

WHEREAS, the Issuer is authorized to issue tax-exempt revenue bonds pursuant to the Act to provide funds for the payment of costs of economic development facilities (as defined in the Act) located in the State of California;

WHEREAS, The Vine Street Archive Foundation, a California nonprofit public benefit corporation (the "Corporation"), has applied for the financial assistance of the Issuer to (i) refund the \$35,000,000 California Infrastructure and Economic Development Bank Insured Variable Rate Demand Revenue Bonds (Academy of Motion Picture Arts and Sciences Obligated Group) Series 2002 (the "2002 Bonds") the proceeds of which financed the acquisition, construction and development of the Corporation's film archive facility located at 1313 Vine Street and 6338, 6344 and 6350 Homewood Avenue in Los Angeles California, 90028 (the "Facilities"), and (ii) finance a portion of the costs of construction and improvement of the Facilities (collectively, the "Project"), including the payment of costs of issuance of the Bonds and other expenses of the Corporation incidental to the financing of the Project;

WHEREAS, the Corporation has represented that it has used and will continue to use the Project to house a portion of the archives of the Academy of Motion Picture Arts and Sciences, which, as a cultural and educational facility, is consistent with the definition of an economic development facility in the Act;

WHEREAS, for these purposes, the Corporation has requested the Issuer to (a) authorize the issuance of its California Infrastructure and Economic Development Bank Variable Rate Demand Revenue Bonds (Academy of Motion Picture Arts and Sciences Obligated Group) Series 2008 (the "Bonds"), in an aggregate principal amount outstanding not to exceed \$35,000,000, (b) provide for the sale of the Bonds, (c) provide for the loan of proceeds of the

sale of the Bonds to the Corporation to finance and refinance a portion of the cost of the Project, (d) provide for the payment of the principal of, premium, if any, and interest on the Bonds with revenues derived from the Corporation's repayment of that loan, and (e) take and authorize certain other actions in connection with the foregoing;

WHEREAS, the Corporation desires that the Bonds be secured by an irrevocable direct-pay letter of credit to be issued by City National Bank (the "Bank") for the benefit of the bondholders; and

WHEREAS, there is now on file with the Secretary of the Issuer the following:

(a) a proposed form of the Loan Agreement (the "Loan Agreement") to be entered into by and between the Issuer and the Corporation, providing for the loan of the proceeds of the Bonds to the Corporation;

(b) a proposed form of the Bond Indenture (the "Indenture") to be entered into by and between the Issuer and Wells Fargo Bank, National Association, as trustee (the "Trustee"), providing for the authorization and issuance of the Bonds to be dated the date of delivery thereof;

(c) a proposed form of Bond Purchase Agreement (the "Bond Purchase Agreement"), to be entered into by and among the Issuer, the Treasurer of the State of California and Shattuck Hammond Partners, a division of Morgan Keegan & Company, Inc. (the "Underwriter"), and approved by the Corporation, providing for the sale of the Bonds; and

(d) a proposed form of Official Statement with respect to the Bonds to be used in connection with the offering and sale of the Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Infrastructure and Economic Development Bank, as follows:

Section 1. The Issuer authorizes and approves the loan of the proceeds of the Bonds to the Corporation in order to finance and refinance a portion of the cost of the Project (including the payment of costs of issuance in connection with the Bonds) pursuant to the terms and provisions of the Loan Agreement as authorized in this Resolution. The proposed form of Loan Agreement on file with the Secretary of the Issuer is hereby approved, and the Executive Director, the Chair of the Issuer, or the Chair's designee, each acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Loan Agreement in substantially said form, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof. The Secretary of the Issuer is authorized to attest to the Issuer's execution of the Loan Agreement.

Section 2. The proposed form of Indenture on file with the Secretary of the Issuer is hereby approved, and the Executive Director, the Chair of the Issuer, or the Chair's designee, each acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Indenture to the Trustee in substantially said form, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively

evidenced by the delivery thereof. The Secretary of the Issuer is authorized to attest to the Issuer's execution of the Loan Agreement.

Section 3. The proposed form of Bond Purchase Agreement on file with the Secretary of the Issuer is hereby approved, and the Executive Director, the Chair of the Issuer, or the Chair's designee, each acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Bond Purchase Agreement in substantially said form, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof. The Treasurer of the State of California, as agent for sale for the Issuer's bonds, is hereby requested to sell the Bonds, notwithstanding Section 63074(d) of the Act, at any time within one hundred eighty (180) days of the adoption of this Resolution, at negotiated sale, at such prices and at such initial interest rates as he may determine in accordance with the Indenture.

Section 4. The proposed form of the Official Statement relating to the Bonds on file with the Secretary of the Issuer is hereby approved, and the Executive Director, the Chair of the Issuer or the Chair's designee, each acting alone, are hereby authorized, for, on behalf and in the name of the Issuer, to execute by manual or facsimile signature and deliver the Official Statement in substantially said form, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriters are hereby authorized to distribute and deliver copies of said Official Statement to purchasers of the Bonds.

Section 5. The Issuer approves the issuance of the Bonds in accordance with the terms of, and to be secured by, the Indenture, in an aggregate principal amount not to exceed \$35,000,000 outstanding at any time, to assist in financing and refinancing a portion of the costs of the Project (including the payment of certain costs of issuance in connection with the Bonds). Payment of the principal of and premium, if any, and interest on the Bonds shall be made solely from payments made by the Corporation and the other sources expressly provided in the Indenture and the Bonds shall not be deemed to constitute a debt or liability of the Issuer (except to the limited extent provided in the Indenture) or the State of California. The Executive Director, the Chair of the Issuer, or the Chair's designee, each acting alone, is hereby authorized and directed to execute, in the name and on behalf of the Issuer, by manual or facsimile signature, the Bonds in accordance with and in the form set forth in the Indenture. The Bonds shall mature no later than July 1, 2032, and be subject to redemption as provided and bear interest at the rates determined in accordance with the provisions of the Indenture.

Section 6. The Bonds, when so executed, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds so delivered by executing the certificate of authentication appearing thereon and to deliver the Bonds, when duly executed and authenticated, to the Underwriter in accordance with written instructions executed on behalf of the Issuer by the Executive Director, the Chair of the Issuer, or the Chair's designee, which instructions said official is hereby authorized and directed, for and in the name of and on behalf of the Issuer, to execute and deliver to the Trustee. Such instructions

shall provide for the delivery of the Bonds to the Underwriter upon payment of the purchase price therefor.

Section 7. Pursuant to Sections 63046 and 63047 of the Act, and based upon representations made by the Corporation, the Board of Directors of the Issuer hereby finds and determines that:

- (a) the Project is located in the State of California;
- (b) the Corporation is capable of meeting its obligations incurred under the Loan Agreement;
- (c) the payments the Corporation is required make under the Loan Agreement are adequate to pay all current expenses of the Issuer in connection with the issuance of the Bonds and to make payments on the Bonds;
- (d) the proposed financing is appropriate for the Project; and
- (e) the Project is consistent with any existing local and regional comprehensive plans.

The finding in subsection (b), above, as to the Corporation's payment obligations under the Loan Agreement, is based on the requirement of the Issuer that the Bonds will be secured by an irrevocable direct-pay letter of credit issued by the Bank which will support a rating on the Bonds of at least "A3" from Moody's Investors Service, or "A-" from Standard & Poor's or Fitch Ratings, Inc..

Section 8. Based on the information provided and representations made by the Corporation, the Board of Directors of the Issuer hereby finds and determines that the Project demonstrates clear evidence of a defined public benefit in that the Project provides educational and cultural resources to the community in which it is located and the State of California.

Section 9. The Executive Director, the Chair of the Issuer, or the Chair's designee, each acting alone, is hereby authorized to execute all documents, certificates and instruments necessary or appropriate to this transaction and the issuance and sale of the Bonds.

Section 10. All actions heretofore taken by the officials and agents of the Issuer with respect to the approval, issuance and sale of the Bonds are hereby approved, confirmed and ratified, and the officers of the Issuer and their authorized designees, deputies, agents and counsel are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates and documents that they, their counsel or bond counsel may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this Resolution, including without limitation a tax certificate concerning the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 11. This Resolution shall take effect from and after its adoption.

PASSED, APPROVED, AND ADOPTED at a meeting of the Board of Directors of the California Infrastructure and Economic Development Bank on October 28, 2008, by the following vote:

AYES: Bonner, Marin, Sheehy, Carroll, Rice

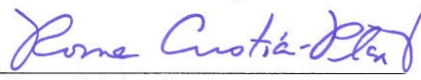
NOES: None

ABSENT: None

ABSTAIN: None

By 
Stanton C. Hazelroth, Executive Director

Attest:

By 
Roma Cristia-Plant, Secretary